A2001-31 I-K-07

John Silvasi

To: Joann Allman/RTP/USEPA/US@EPA

04/07/03 09:49 AM

Subject: from OMB: Re: 8-hr O3 NAAQS Implementation Proposed Rule--2

Powerpoint Presentations

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----- Forwarded by John Silvasi/RTP/USEPA/US on 04/07/03 09:49 AM -----



Amy_L._Farrell@omb.e op.gov

To: John Silvasi/RTP/USEPA/US@EPA cc: Arthur G. Fraas@omb.eop.gov

02/17/03 02:28 PM

Subject: Re: 8-hr O3 NAAQS Implementation Proposed Rule--2 Powerpoint

Presentations

John I can't tell if she cc'd you all so I'm forwarding these comments as well.
Amy
------ Forwarded by Amy L. Farrell/OMB/EOP on 02/17/2003 02:19
PM ------

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To: Amy L. Farrell/OMB/EOP@EOP

cc: See the distribution list at the bottom of this message
Subject: Re: 8-hr O3 NAAQS Implementation Proposed Rule--2 Powerpoint
Presentations

Amy--

Amy--

This is the second set of comments from FHWA. Please let me know if you have any questions. Thanks again for the opportunit y to review.

Cecilia

>>> Amy_L._Farrell@omb.eop.gov 02/11/03 11:31PM >>> All -

Hope this helps with your review. Please try to get comments tomorrow (Wednesday) or as close to tomorrow as possible so we can have a meaningful follow-up call in the near future. Thanks,

Amy

PM -----

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Record Type: Record

To: Amy L. Farrell/OMB/EOP@EOP

cc: See the distribution list at the bottom of this message Subject: 8-hr O3 NAAQS Implementation Proposed Rule--2 Powerpoint Presentation

Hi, Amy,

As a follow-up from last Friday's meeting, I am forwarding to you the 2 Powerpoint presentations concerning the proposed rule--an expanded version and a short version. Can you please arrange to send them to Art and others who participated from the other federal agencies?

Also, Tom Helms will call Art on Thursday this week to check on status of OMB review. Also, we are still trying to pull together some of the other information requested at the Friday call and will get that to you as soon as possible.

□Thanks!

(See attached file: 8-HOUR 03_021003_omb.PPT) (See attached file: short version 8-hr 021003 omb.ppt)

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"Savonis, Michael <FHWA>"



Further comments on EPA's Proposed 8-hour Implementation Plan FHWA Office of Natural and Human Environment 2/14/03

EPA's draft fails to address an area that is very important to many States and localities. While we do not oppose the implementation plan including the revocation of the 1-hour standard, it has uncertain and undesirable consequences for the Congestion Mitigation and Air Quality Improvement (CMAQ) Program.

Authorized under title 23 of the United States Code, the CMAQ program has provided more than \$14 billion to States with nonattainment and maintenance areas to fund transportation improvement projects and programs that will reduce emissions. It is up for reauthorization at the end of FY 2003.

The CMAQ funding formula is statutory (see 23 USC 104(b)(2)). The formula apportions funds to States based on their nonattainment or maintenance status with respect to the 1-hour ozone and carbon monoxide standards and the number of people affected by the air pollution. As EPA revokes the 1-hour standard, the legal connection between the amount of CMAQ funding made available and the air quality need will be disrupted.

The classifications that EPA proposes for the 8-hour ozone standard will have no standing since the apportionment formula is explicitly tied to the 1-hour standard. The clear implication is that without a statutory change modifying the CMAQ apportionment formula, highly populous nonattainment areas will lose CMAQ funding.

As mentioned, we do not oppose the revocation of the 1-hour standard, but we feel that EPA needs to raise awareness about the impacts on the States' CMAQ funding by including such a discussion in its NPRM. It would be unfair to the American people to propose a rule based on an incomplete consideration of important factors. CMAQ funding is often cited as a critical funding element for metropolitan planning organizations.

In the longer term, a statutory change will be necessary under this proposed rule to amend the CMAQ formula. We find it likely that States and metropolitan areas, as well as DOT and EPA, would support such a change, and that Congress would follow suit to amend the formula when the time is ripe.

We have developed an apportionment formula for the CMAQ program that takes into account the 8-hour ozone and fine particulate matter standards. The proposal is currently a part of the reauthorization package. But note that FHWA's proposed formula does not take the implications of this rulemaking, specifically the revocation of the 1-hour standard, into account. We also do not believe that a legislative change to the CMAQ formula would be appropriate at this time because the rule is still subject to change. A further change to the CMAQ apportionment formula should wait until EPA's regulation is final.